

REBUTTAL TESTIMONY OF

E. ELIZABETH BEST

ON BEHALF OF

DOMINION ENERGY SOUTH CAROLINA, INC.

DOCKET NO. 2023-9-E

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION**
2 **WITH DOMINION ENERGY SOUTH CAROLINA, INC. (“DESC” OR**
3 **“COMPANY”).**

4 A. My name is E. Elizabeth (“Betty”) Best and my business address is 400
5 Otarre Parkway, Cayce, South Carolina, 29033. I am employed by Dominion
6 Energy Services, Inc. (“Dominion Energy”) as Director of Strategic Planning for
7 Dominion Energy South Carolina, Inc. (“DESC” or the “Company”).

8 **Q. ARE YOU THE SAME E. ELIZABETH BEST WHO PREVIOUSLY**
9 **TESTIFIED IN THIS DOCKET?**

10 A. I am.

11 **Q. HAVE YOU REVIEWED THE DIRECT TESTIMONY FILED BY**
12 **WITNESS ANTHONY SANDONATO AND OTHER WITNESSES ON**
13 **BEHALF OF THE SOUTH CAROLINA OFFICE OF REGULATORY**
14 **STAFF (“ORS”) IN THIS MATTER?**

15 A. Yes.

16 **Q. HAVE YOU REVIEWED THE DIRECT TESTIMONY OF WITNESS**
17 **DEREK STENCLIK AND WITNESS JIM GREVATT ON BEHALF OF**

1 **THE SOUTH CAROLINA COASTAL CONSERVATION LEAGUE,**
2 **SOUTHERN ALLIANCE FOR CLEAN ENERGY (COLLECTIVELY,**
3 **“CCL/SACE”), AND SIERRA CLUB?**

4 A. I have reviewed the joint testimony filed by the witnesses for CCL/SACE
5 and Sierra Club (collectively, “Environmental Intervenors”).

6 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

7 A. The purpose of my rebuttal testimony is to present an overview of DESC’s
8 position related to certain issues raised in the direct testimonies filed on behalf of
9 Environmental Intervenors and ORS.

10 In general, none of the issues or corrections raised by ORS would change the
11 material conclusions of the IRP or challenge the selection of the Preferred Plan.
12 They are best addressed through the ongoing stakeholder process and in future IRP
13 updates. The ORS specifically indicates that most of its suggestions are best
14 handled in this way.

15 The Environmental Intervenors also raise issues or corrections that are not
16 material to the conclusions of the IRP or the selection of the Preferred Plan, which
17 also are appropriate to address in future proceedings. But the Environmental
18 Intervenors also raise a number of challenges to the Preferred Plan that are based
19 on factual inaccuracies and unreasonable assumptions. The Company’s rebuttal
20 witnesses will provide a detailed review and explanation of these factual errors and
21 unreasonable assumptions. My rebuttal testimony will summarize the Company’s

1 response to the Environmental Intervenors' positions which the Company
2 witnesses will support.

3 Given the number of issues raised, it is not possible to address them all. The
4 failure to address any issue should not be taken as agreement with it. Except as
5 noted in its rebuttal testimony, or corrected from the stand, DESC stands by all the
6 inputs methodology, assumptions and conclusion of its 2023 IRP.

7 **Q. DO YOU HAVE ANY EXHIBITS TO YOUR TESTIMONY?**

8 A. Yes. **Exhibit __ (EEB-4)** is attached to my testimony. This is an Errata Sheet
9 that identifies corrections to the 2023 IRP.

10 **Q. DO ANY OF THE CORRECTIONS CONTAINED IN THE ERRAT SHEET**
11 **IMPACT THE ANALYSIS OR CONCLUSIONS OF THE 2023 IRP?**

12 A. No. The changes in the Errata Sheet do not change any of the substantive
13 analysis or conclusion of the 2023 IRP.

14 **Q. WHAT IS YOUR RESPONSE TO THE ISSUES RAISED IN ORS' REPORT**
15 **AND THE TESTIMONY OF ORS' WITNESSES?**

16 A. The Company agrees with ORS that DESC's 2023 IRP meets all applicable
17 statutory and regulatory requirements. Therefore, the IRP should be accepted as
18 filed and approved by this Commission. ORS recommends that DESC address six
19 specific issues through discussions with the stakeholder group and, if necessary, in
20 future IRP filings or annual updates. DESC agrees to those recommendations
21 which include:

- 1 1. Documenting and discussing with stakeholders its statistical analysis of
2 extreme winter weather,
- 3 2. Discussing with stakeholders a detailed analyses of its Residential and
4 Commercial class peak load forecast,
- 5 3. Continuing to evaluate and discuss commodity forecasts including CO₂
6 forecasts,
- 7 4. Continuing to evaluate and discuss appropriate modeling of integration
8 costs for renewable resources,
- 9 5. Continuing to benchmark its production cost modeling in PLEXOS and to
10 discuss those benchmarking evaluations with stakeholders,
- 11 6. Evaluating ways to incorporate additional robust risk analyses in future
12 IRPs.

13 In addition, ORS requests DESC to update the Commission on transmission
14 impacts and the natural gas pipeline capacity availability associated with unit
15 retirements and new resource decisions. DESC agrees with this request and will
16 update the Commission by letter at the time of the hearing and in the 2024 IRP Update
17 which will be filed in March of 2024, only four months after a final order will be issued
18 in this proceeding. The 2022 Generation Retirement Transmission Impact Analysis
19 Report (“the 2022 TIA”) was posted by DESC on its Open Access Transmission Tariff
20 (“OATT”) web site in March 2023, which is open to the public, and will make
21 workpapers and supporting documentation available to interested parties. I would note
22 that the report itself presents the key assumptions and conclusions underlying it, which

1 are discussed in more detail in the rebuttal testimony of Company Witness Scott
2 Parker. The workpapers and supporting documentation largely consist of input and
3 output files from DESC's current power flow model and will not likely be of use to
4 other parties.

5 In addition, ORS requests DESC to provide information in rebuttal testimony
6 concerning several matters.

- 7 1. ORS requests further information on potential future rate designs related to the
8 EV charging. I can respond that those rates are a future work in progress.
9 DESC has retained the Guidehouse consulting firm to support modernizing the
10 Company's time of use ("TOU") rates portfolio and to align its pricing
11 strategies to DESC's future system needs. The resulting rate design will
12 communicate pricing signals that encourage EV owners and EV charging
13 providers to shift EV charging load to off-peak hours. That study is in its very
14 initial phases, and there are no conclusions or other information to present at
15 this time. Any new TOU rates will require Commission approval. At present,
16 EV penetration in DESC's service territory remains limited as are load impacts
17 and the Company intends to complete the study and propose TOU rates as EV
18 penetration becomes more meaningful from a resource planning perspective.
19 The Company anticipates these issues to be a matter for consultation with
20 stakeholders as more information becomes available.

- 21 2. As Company Witness Jim Neely explains, there was an error in modeling the
22 Low DSM Sensitivity Case (not the Low and the High DSM Sensitivity Cases

1 as ORS suggests). Witness Neely will provide corrected results for this
2 sensitivity. This revision does not change the Preferred Plan or the analysis on
3 which the Preferred Plan is supported. It relates to a single sensitivity only and
4 is not material to the selection of the Preferred Plan.

- 5 3. ORS asks the Company to discuss the proposed Environmental Protection
6 Agency (“EPA”) CAA Section 111 Regulation of Greenhouse Gas (“GHG”)
7 Emissions from Fossil Fuel-Fired Electric Generating Units (“EGU”).
8 Company Witness Andrew Walker will discuss the current status of the rule,
9 the pathways for complying with it, and the potential impacts a rule of this sort
10 could have on DESC’s system. But DESC would ask the Commission to
11 consider that this is a *proposed* rule only. It was issued on May 23, 2023,
12 several months after this IRP was filed. It is in the early stages of public
13 comment and is subject to being changed, withdrawn, or fundamentally
14 redrafted before it is issued or invalidated in court afterwards. DESC will
15 include the proposed rule and its potential impacts on DESC’s system in future
16 stakeholder discussions and will evaluate its impact on generation planning in
17 future IRP updates. The Company does not believe it is appropriate for DESC
18 to be required to run additional sensitivities on the basis of this proposed rule
19 for submission in rebuttal testimony, as Witness Stenclik for the Environmental
20 Intervenor suggests. Doing so would have been premature, unnecessary and
21 disruptive to the orderly progression of this prefilings and hearing process.

- 1 4. Through the rebuttal testimony of Company Witness Neely, DESC will explain
2 that in configuring the PLEXOS model the Company selected one of two heat
3 rates for combined cycle and CT units that was provided by the manufacturer.
4 The heat rate selected was too low for the purpose for which it was used.
5 Witness Neely will explain that this heat rate affects fuel costs by approximately
6 11% but when taken in context of the full cost of the units, including capital
7 costs and fixed O&M, it is not material to the overall conclusions of the IRP or
8 the selection of the Preferred Plan.
- 9 5. Through the rebuttal testimony of Company Witness Walker, DESC will
10 explain the reasonableness of the cost increases associated with generic
11 combustion turbine resources as ORS has requested.
- 12 6. Similarly, ORS also proposes that DESC should model an additional sensitivity
13 based on information about higher battery costs that have arisen since the 2023
14 IRP was filed. Current forecasts of battery costs are now understood to be
15 dramatically higher than assumed in this IRP, as DESC cautioned in its direct
16 testimony could be the case. This new assessment of battery costs is based on
17 the results of the recent RFP for replacement resources for the Urquhart peaking
18 capacity and on recently released 2023 NREL data, the 2022 version of which
19 was the basis for the battery costs modeled in the IRP. The new NREL forecasts
20 are approximately 45% higher than NREL's 2022 forecast which was used in
21 preparation of the 2023 IRP, and the recent RFP results show prices that are
22 higher still. This new price data emerged after the IRP was completed and will

1 be used in the 2024 IRP Update which is due to be filed March 31, 2024.
2 However, the new data would not change the conclusion that a combined cycle
3 resource will be required to replace Williams and that battery storage is neither
4 feasible nor economical for fully replacing Williams, as Witness Stenclik
5 suggests. As to the replacement of Wateree, it has always been DESC's
6 intention to base the selection of replacement capacity on an RFP that would
7 test the relative cost of battery storage and CT capacity through actual market
8 bids. The new data in no way changes DESC's intention to test the market in
9 this way. Accordingly, there is no practical need to run additional studies.
10 Injecting new studies into this docket in rebuttal testimony would be
11 unnecessary and disruptive to the orderly progression of the prefilings and
12 hearing process.

13 **Q. HOW DO TIMING CONCERNS ABOUT IRPS GENERALLY RELATE TO**
14 **DESC'S RESPONSES TO THE REQUEST FOR A NEW STUDY?**

15 A. We have now entered the second triennial IRP cycle since S.C. Code Ann. §
16 58-37-40 was amended. During the first triennial IRP cycle, the Commission
17 directed the parties to undertake comprehensive work to standardize processes,
18 inputs and metrics. The IRP process has taken on a more mature and predictable
19 form as a result and DESC has reviewed, accepted and incorporated multiple
20 recommendations made by the Commission and other parties in this IRP.

21 But the intensive nature of this process has been challenging, resulting in
22 schedule compression and the due dates for annual IRP updates being reached

1 before final orders on the underlying IRP or updates have been issued. As we enter
2 the second triennial cycle, getting the sequencing and timing right for IRPs and IRP
3 updates is important, and building on the work done to date, the Commission now
4 has the opportunity to create a sequence and schedule for IRPs that is fair, efficient
5 and effective.

6 In this context, it is important to remember that utility resource planning is
7 an ongoing process that occurs against a backdrop of constantly changing load
8 forecasts, fuel prices, environmental regulations, and transmission and pipeline
9 construction schedules. An IRP is one part of that ongoing process which provides
10 the Commission and other parties a snapshot in time of the Company's planning
11 templates and processes, its assessment of future customer needs and the current
12 evaluation of the potential resources to best fill those needs. In recognition of their
13 time-limited nature, IRPs are updated annually and the preparation of the updates
14 begin shortly after or even before the orders in the last IRP or update are filed.

15 In this context, it will be difficult or impossible to conduct orderly planning
16 if each IRP or update has to be updated for matters that arise after it has been
17 prepared. Such updates will be of limited utility since an IRP or update will
18 typically be filed within months of an order from its precursor filing. Furthermore,
19 any siting decisions for new resources will be based on data that are current at the
20 time the siting application is filed. In addition, in many cases procurement
21 decisions will be based not on forecasts of the costs of assets but on binding bids
22 for construction of the assets in question. For these reasons, the Company

1 respectfully requests the Commission to recognize that except in extraordinary
2 circumstances, an IRP should be based on the data that was current at the time it
3 was prepared and that updates related to interim developments or corrections that
4 do not affect the selection of a preferred plan should wait for future proceedings.

5 **Q. HOW DOES THE COMPANY RESPOND TO WITNESS STENCLIK'S**
6 **ASSERTION THAT HIS ANALYSIS SHOWS THAT IT IS POSSIBLE TO**
7 **RETIRE WILLIAMS STATION AS EARLY AS 2029 BY REPLACING IT**
8 **WITH BATTERY AND SOLAR RESOURCES?**

9 A. Witness Stenclik's assertion that Williams Station can be retired in 2029 is
10 refuted by the 2022 Coal Plants Retirement Study Report filed in Docket No. 2021-
11 192-E, the results of the transmission impact assessment presented in that docket,
12 and in the testimonies of Witnesses Walker, Parker and Neely in this proceeding.
13 Witness Stenclik's assertion that Williams Station can be retired in 2029 is an
14 unsupported assertion. It is not based on any engineering analysis, operational
15 testimony or transmission modeling that calls into question the Company's
16 engineering analysis, operational testimony and transmission modeling, all of
17 which show that the cost of battery resources to replace Williams and the cost of
18 transmission upgrades to support those battery resources makes his proposal
19 untenable.

20 **Q. PLEASE DESCRIBE DESC'S 2022 TIA AND DISCUSS WHETHER IT**
21 **SUPPORTS WITNESS STENCLIK'S ASSERTION THAT IT IS POSSIBLE**

**TO RETIRE WILLIAMS STATION AS EARLY AS 2029 BY REPLACING
IT WITH BATTERY AND SOLAR RESOURCES?**

A. In March of 2023, DESC's Transmission Planning group issued its 2022 TIA for DESC's Wateree and Williams Generating Plans. It was conducted under transmission planning criteria and methodology filed with the National Electric Reliability Council ("NERC") using power flow models that are updated continuously and submitted annually for NERC review. When issued, DESC posted the 2022 TIA on its OATT web site which is open to the public and its was available to Witness Stenclik and the Environmental Intervenors months before his direct testimony was filed in this docket. The 2022 TIA has specific relevance to his claim that it is possible to retire Williams as early as 2029 by replacing it with battery and solar resources.

Among other scenarios, the 2022 TIA analyzed the transmission impacts of retiring Williams and siting either a 100 MW, 200 MW or 300 MW four-hour battery storage resource at the Williams site, supplemented by 757 MW of natural gas capacity at Canadys. The assessment found that maintaining reliable service to customers would require significant transmission improvements under either of the three approaches, and that the necessary transmission construction would require between 4.5 years in the best case and 6 years in the worst case. The best and worst cases were defined by the options Santee Cooper provided concerning the potential retirements of its coal fired generation resources in the South Carolina Low

1 Country and Myrtle Beach area, with the early retirement of the Winyah plant
2 defining the worst case.

3 In the worst case analysis, adding battery storage of 100 MW to 300 MW at
4 Williams would make no difference in the cost or schedule of the required
5 transmission upgrades. In the best case, adding a 100 MW battery at Williams
6 would have no impact on transmission cost or schedule. Adding a 200 MW battery
7 would result in a reduction of approximately 37% in transmission cost and a
8 reduction in the construction schedule from six to four and a half years. But going
9 from a 200 MW battery to a 300 MW battery would result in no further reduction
10 in either cost or schedule. This analysis indicates that under some conditions, there
11 could be a transmission benefit to locating a 200 MW battery at Williams, but there
12 is no basis to believe that adding additional battery capacity beyond 200 MW at
13 Williams is a practical way to further improve cost and schedule of transmission
14 upgrades or avoid the need for a major transmission upgrade to support the
15 retirement of Williams. Even with the 200 MW battery at Williams, and in the best
16 case scenario, the transmission upgrade will take approximately 4.5 years to
17 complete after all procurement, siting and permitting is in hand. This information
18 testimony is entirely inconsistent with Witness Stenclik's assumption that retiring
19 Williams before 2029 becomes practical by siting hundreds of MW of battery
20 resources at Williams.

1 **Q. WHY IS THIS THE CASE?**

2 A. Company Witnesses Walker and Parker testify as to the reasonableness of
3 the conclusions reached in the 2022 TIA. Transmission into the Charleston area is
4 highly stressed even today and Williams is currently being treated as a must-run
5 unit much of the time, meaning that it must be kept on line to support reliable
6 service to the Charleston area even when less costly resources are available
7 elsewhere on the system. This is required because with Williams offline,
8 transmission is stressed such that routine transmission maintenance and the
9 response to routine events on the transmission system around Charleston put
10 reliability at risk.

11 Batteries are energy limited resources. They cannot operate as must-run
12 resources because they must be taken off line for extended periods of time to be
13 recharged. As Witness Parker testifies, when batteries are off line they not only
14 represent a loss of generation support to the system, which the Charleston area can
15 ill afford, they also represent a new load that the transmission system must support
16 at the same time that it is supporting the customer load in the Charleston area.
17 Witness Stenclik's unsupported assumption that batteries located at Williams
18 Station can replace the capacity it represents is an unreasonable and dangerous
19 assumption from a resource planning perspective. It puts reliable service to the
20 Charleston area at risk.

1 **Q. IS WITNESS STENCLIK ACCURATE IN STATING THAT DESC’S OWN**
2 **DELAYS ARE PREVENTING WILLIAMS FROM BEING RETIRED**
3 **EARLIER THAN 2030?**

4 A. Absolutely not. The decision to study the early retirements of Williams and
5 Wateree were made in support of Dominion Energy’s enterprise-wide goal of
6 reaching net zero carbon and methane emissions by 2050, while maintaining the
7 Company’s fundamental objectives to operate safely, maintain reliability, and
8 deliver affordable energy to our customers. In the 2020 IRP, Company Witness
9 Eric Bell informed the Commission through his rebuttal testimony of the
10 Company’s plans to conduct detailed retirement studies for potential early
11 retirement candidates, including Wateree and Williams, and publicly committed
12 the Company to do so at that time. This was in part in response to a proposal by
13 ORS that the Company should prepare a detailed retirement study and file it with
14 the Commission but also reflected decision making that was already in process at
15 the time. . The study was not due to any mechanical or engineering issues with the
16 plant or any inability to operate it reliably and efficiently going forward. As
17 explained in more detail in the rebuttal testimony of Company Witness Walker,
18 DESC began taking steps to study the retirement and replacement options for
19 Williams and Wateree as soon as the decision was made to retire the plants if
20 replacing them was practical. DESC prepared a Coal Plants Retirement Study in
21 2022 which it presented to the Commission in Docket No. 2021-192-E. That study
22 thoroughly evaluated the retirement dates for both Williams and Wateree and laid

1 out a planning process and timeline for retirement which serves as a reasonable
2 planning assumption to ensure reliable service is maintained through the retirement
3 process. The Company has prepared multiple requests for transmission impact
4 analyses to support its decision making, has located a preferred site for the
5 replacement generation at the Canadys site, and is pursuing gas supply resources to
6 support replacement as well as a potential joint venture with Santee Cooper to
7 increase economies of scale. The Company has not delayed this process in any way.

8 **Q. HOW DOES THE COMPANY RESPOND TO THE ALTERNATIVE**
9 **BUILD PLANS WITNESS STENCLIK HAS CREATED?**

10 A. In addition to assuming under some portfolios that Williams can be retired
11 and replaced by 2029, which is not the accurate, the alternative portfolios that
12 Witness Stenclik presents are based on multiple factual errors and incorrect
13 assumption including the following:

- 14 1. In his Alternative Coal 2029 Enhanced Reliability Portfolio, Witness Stenclik
15 assumed reductions in load from DSM programs that are 30 times higher than
16 the medium DSM case supported by the 2023 DSM Potential Study, 20 times
17 higher than the DESC High DSM case, and nine times greater than the DSM
18 reductions calculated by the Environmental Intervenors' own witness, Witness
19 Gravett.
- 20 2. In that same analysis, Witness Stenclik inflated the DSM load reductions without
21 including any increase in DSM program costs. The omitted costs are material

1 and in themselves are sufficient to make the Alternative Coal 2029 Enhanced
2 Reliability Portfolio a high cost option.

3 3. In all scenarios, Witness Stenclik took NREL's 2022 forecast of battery costs,
4 which DESC had indicated already appeared to be too low, and reduced them by
5 another 10%. We now know that NREL's 2023 forecast of battery costs is 45%
6 higher, not 10% lower, than its 2022 forecast. This difference in price is material
7 because all of Witness Stenclik's scenarios more than double the build of battery
8 capacity than is assumed in the Company's Reference Case.

9 4. Witness Stenclik based his 10% reduction in battery cost on his assertion that
10 large parts of DESC's service territory would qualify for bonus tax benefits
11 under the Inflation Reduction Act. This is not accurate. We now know that only
12 a very small portion of DESC's service territory will qualify. Witness Neely
13 provides a map demonstrating the limited availability of these bonus tax benefits
14 in DESC's service territory.

15 5. Witness Stenclik assumed that the tax benefits under the Inflation Reduction Act
16 would not sunset in 2035 as the Act provides, assuming that the nation meets
17 certain CO₂ reduction targets. This is a speculative assumption, particularly in
18 light of the assumption under the Reference Case that significant costs are
19 imposed on CO₂ emissions beginning in 2030.

20 6. In all his scenarios, Witness Stenclik assumed that solar resources had a capacity
21 factor higher than both the NREL range of capacity factors and the historical
22 data from DESC's service territory. In so doing, he ignored the fact that solar

resources degrade at 0.5% per year as reflected in DESC's assumed capacity factor.

7. In all his scenarios, Witness Stenclik assumed minimum run and down times for combined cycle natural gas plants and large frame combustion turbines that are a fraction of the actual minimum run and down times for those units that are dispatched by DESC and are inconsistent with how DESC actually operates them. These runtimes are analogous to the redline on an automobile tachometer, they are suitable for emergencies but not normal system operations. As Witness Walker testifies, dispatching those units as Witness Stenclik's model assumes would greatly increase maintenance costs, reduce the useful lives of these very expensive assets, and reduce their reliability. Not only are these run-time assumptions inaccurate, but the analysis is further biased from a cost basis. It assumes a reduction in system cost because fewer natural gas fired plants are needed to respond to the intermittency of solar and other variations in load, and solar can be integrated onto the system more cheaply, which biases the analysis in favor of solar. But the analysis makes no adjustments for increased maintenance costs, increased force outage rates, and loss of long-term asset value resulting in higher depreciation and replacement costs that are a result of the unreasonable assumptions as to run times.

Q. WITNESS STENCLIK'S ALTERNATIVE PORTFOLIOS MAY SEEM WITHOUT CAREFUL READING TO SHOW THAT RETIRING WILLIAMS STATION AND REPLACING IT WITH BATTERY AND

1 **SOLAR RESOURCES IS AN OPTION THAT OPTIMIZATION**
2 **MODELING SELECTS. IS THAT THE CASE?**

3 A. Witness Stenclik's testimony is not entirely clear on this point, but as Witness
4 Neely testifies, Witness Stenclik's model only selects battery and solar resources
5 to replace Williams because Witness Stenclik manually instructed it not to select a
6 combined cycle unit when Williams is replaced. Witness Neely has run Witness
7 Stenclik's model without that instruction and has confirmed that in spite of its other
8 biases against natural gas generation, the model continues to select the combined
9 cycle resource to replace Williams. This is a clear validation of the choice made in
10 DESC's Preferred Plan.

11 **Q. IS WITNESS STENCLIK ACCURATE IN CLAIMING "DESC HAS A**
12 **FINANCIAL INCENTIVE TO RECOVER COSTS ASSOCIATED WITH**
13 **NEW CAPITAL PROJECTS COSTING HUNDREDS OF MILLIONS OF**
14 **DOLLARS AND IS INDIFFERENT TO FUEL COSTS BECAUSE THOSE**
15 **ARE PASSED ON TO CUSTOMERS"?**

16 A. No. DESC's core commitment to customers and the public is to provide safe,
17 reliable, affordable and increasingly clean electric service. It succeeds as a
18 company when its rates are fair and the service it provides is recognized as a good
19 value by its customers. To meet those goals, DESC's priority is providing its
20 system with low-cost resources that meet the demands and needs of the customer
21 base safely, reliably and with reduced emissions. DESC has a regulatory duty to
22 make reasonable and prudent decisions which it takes very seriously. These are the

1 considerations that drive DESC's generation planning decisions. As a regulated
2 utility, DESC, and to a large degree ORS as well, are accountable in ways other
3 parties are not. If the Company makes resource procurement decisions that create
4 an unreliable system, or if it pursues generation resources that unnecessarily
5 increase rates, it faces real-world anger and criticism from the customers and
6 communities it serves and repercussions in proceedings before this Commission.
7 Other parties, apart from ORS, do not face similar accountability for the proposals
8 they advance and it is not surprising that proposals from other parties often are
9 based on extreme assumptions and biased inputs, and put both reliability and
10 affordability at risk. DESC's goals as a company require it to base its generation
11 planning on reasonable assumptions and unbiased inputs, and that is what it has
12 done here.

13 **Q. IS WITNESS STENCLIK ACCURATE IN CLAIMING THAT DESC'S**
14 **MODELING SHOWS A "CLEAR AND CONSISTENT BIAS" TOWARDS**
15 **NEW GAS CAPACITY, SPECIFICALLY THE SHARED COMBINED**
16 **CYCLE RESOURCE IN THE PREFERRED PLAN?**

17 **A.** No. In all cases, DESC's modeling is based on reasonable inputs, and
18 assumptions. DESC's analysis has chosen to add thousands of MW of solar and
19 battery resources under each portfolio modeled. It has also chosen to add natural
20 gas fired resources, albeit in more limited MW amounts, because without natural
21 gas fired resources solar and battery resources would be unreliable and their

1 expense would be unreasonable. The only bias in DESC's modeling is a bias in
2 favor of reliability and affordability.

3 **Q. WHAT IS THE COMPANY'S RESPONSE TO WITNESS STENCLIK'S**
4 **RECOMMENDATION TO INCORPORATE THE PROPOSED NEW EPA**
5 **GREENHOUSE GAS RULE IN THE PLANNING ANALYSIS FOR THIS**
6 **IRP?**

7 A. We disagree with this proposal. For the same reasons I discussed above,
8 incorporating the proposed GHG rule in this IRP would be premature and
9 disruptive.

10 **Q. WHAT IS YOUR RESPONSE TO THE ISSUES RAISED IN THE**
11 **TESTIMONY OF WITNESS GREVATT ON BEHALF OF CCL/SACE AND**
12 **SIERRA CLUB REGARDING THE 2023 DSM POTENTIAL STUDY?**

13 A. A more detailed response is provided in the rebuttal testimony of Witness
14 Drew Durkee. However, I will emphasize that the 2023 DSM Potential Study is
15 the assessment by a third party of the achievable DSM results in DESC's service
16 territory. It was conducted with extensive stakeholder input using accepted
17 methodology and extensive data on DSM programs nationally and on the specific
18 potential in DESC's service territory. For system planning purposes, it is an
19 entirely appropriate source of inputs into this IRP and will be subject to detailed
20 review when DESC files a new DSM plan for Commission approval in a future
21 docket. Challenges to the study should be brought in that DSM docket.

1 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

2 A. Yes.